



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 16, 2025

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Authorize Purchase of Real Property Located at 816 Cacique Street
[Ordinance Introduction; Resolution; Agreement]

RECOMMENDATION: That Council:

- A. Adopt, by reading of title only, a Resolution of the Council of the City of Santa Barbara Authorizing the Acquisition of Real Property Located at 816 Cacique Street, Santa Barbara (APN 017-240-021); Authorizing the City Administrator to Execute an Agreement for Purchase and Sale, Including Escrow Instructions and All Related Documents, Subject to Approval as to Form by the City Attorney; and Consenting to the Recordation of the Grant Deed Pursuant to Government Code Section 27281;
- B. Adopt, by reading of title only, a Resolution of the Council of the City of Santa Barbara Amending Resolution No. 25-066, Adopting the Budget for Fiscal Year 2026, to Appropriate Measure C Funds for the Purchase of Real Property Located at 816 Cacique Street; and
- C. Introduce and subsequently adopt, by reading of title only, an Ordinance of the Council of the City of Santa Barbara Approving and Authorizing the City Administrator to Execute the First Amendment to the Declaration of Restrictions Established by City of Santa Barbara Conditional Use Permit Resolution No. 008-09; and Approving and Authorizing the City Administrator to Execute the Second Amended Restricted Use Covenant Imposed on Real Property for the Operation of a Homeless Shelter and Related Services.

DISCUSSION:

People Assisting the Homeless (PATH) is the current owner and operator of the emergency shelter located at 816 Cacique Street in Santa Barbara ("Property"). In the spring of this year, PATH approached the City with the opportunity to purchase the property.

The Property is a special-use facility consisting of approximately 24,423 square feet of rentable space on a 23,682 square foot parcel (0.54 acres) located on the east side of Cacique Street. Improvements were originally completed in 1974 and substantial renovations were undertaken in 2002 and are considered to be in average condition at this time. The Property is restricted for use as an emergency shelter currently serving approximately 100 clients through both a Conditional Use Permit and covenants recorded on the property. Parking is provided in an on-site lot containing thirteen (13) spaces, with an additional twenty-six (26) parking spaces available in an off-site lot that was not included in the appraisal.

In 1999, the former owner of the Property, Coalition to Provide Support to Santa Barbara Homeless, began operating the Property as an emergency shelter. At that time, a Declaration of Covenants, Conditions and Restrictions Imposed on Real Property was recorded on the Property. In 2015, the Conditional Use Permit was amended and a Declaration of Restrictions Established by the City of Santa Barbara Conditional Use Permit No. 008-09 was recorded and the Property transferred ownership from the Coalition to Casa Esperanza which merged with PATH ("City Covenant"). These covenants require that for a period of 60 years, the Property must be owned and operated by a not-for-profit organization under Section 501(c)(3) of the IRS code which has the provision of shelter services and/or financial and supportive services and shelter for homeless families and adults as its sole corporate purpose. The City Covenant is binding on successors for a term of 60 years (December 2059) and provides that the Covenant may not be amended without the prior written consent of the City of Santa Barbara.

Because the City is taking ownership of the Property, and does not fit the definition required for Property ownership in the City Covenant, an ordinance to approve a First Amended Declaration of Restrictions Established by City of Santa Barbara Conditional Use Permit No. 008-09 to allow governmental ownership of the Property is attached for City Council approval.

Also in 1999, the County of Santa Barbara, City of Santa Barbara, Redevelopment Agency of the City of Santa Barbara and Coalition entered into and recorded a Restricted Use Covenant on Real Property for the Operation of a Homeless Shelter and Related Services. This original covenant was later amended in 2014. In 2015, an Amended and Restated Restricted Use Covenant Imposed on Real Property for the Operation of A Homeless Shelter was entered between the City of Santa Barbara, County of Santa Barbara, and PATH ("City/County Covenant"). The City/County Covenant restricts the Property for 60 years to operation of the Property for shelter services and restricts ownership to a not-for-profit entity that has shelter services as its sole corporate purpose. Because the City does not meet the definition required for ownership in the City/County Covenant, City and County staff have worked together to amend the City/County Covenant to authorize City ownership of the Property. The County of Santa Barbara Board of Supervisors approved the Second Amended Restricted Use Covenant on

December 9, 2025. The Ordinance for City Council consideration requests City Council approval of the City Covenant and the City/County Covenant.

The City's former Redevelopment Agency (RDA) previously provided a \$1,112,035 loan to PATH that was subsequently converted to a grant, in addition to other acquisition loans totaling approximately \$1 million previously provided by the City, the former RDA, and the County.

After several site visits with the Building and Safety Division, Fire Inspector, and Public Works Facilities Division, there are a number of life safety and accessibility issues that need to be addressed immediately. These include, but are not limited to, the repair or replacement of all egress gate hardware to include panic hardware, all electrical connections and outlets with exposed wires, battery back-up for fire alarm and oven hood connection to fire alarm, fire sprinklers, and accessibility into the building include curb extension and hand rail as well as bathrooms. Moreover, the ovens, refrigerator and freezer are not in good working order and will need repairs or to be replaced to meet environmental health and safety standards. There is also substantial deferred maintenance on the property that will require attention in the coming months in order to ensure a safe and welcoming environment for shelter staff and clients. City staff are estimating these initial costs to be \$300,000.

A copy of the Purchase and Sale Agreement is available for public view. Please contact Talhia Dorado at TDorado@SantaBarbaraCA.gov to request a copy.

BUDGET / FINANCIAL INFORMATION:

One of the City Council identified priorities for use of Measure C Funds is addressing homelessness by prioritizing housing and facilities. Consequently, City staff is recommending an appropriation of \$3,750,000 from FY2026 Measure C Funds for the purchase of the real property at 816 Cacique Street, Santa Barbara. This appropriation was not included in the FY2026 adopted budget, so this request will reduce the FY2027 and future year Measure C sales tax allocations for other projects. In addition to the property acquisition, it is estimated that an additional \$10,000 will be needed for escrow, testing, inspection and preliminary planning costs along with an initial \$300,000 for repairs and renovations to resolve life safety and accessibility issues for a total of \$4,060,000. The property's utilities and ongoing maintenance will be addressed in the operating costs included in the Agreement with Mercy House Living Centers, the interim service provider for referral-based emergency shelter services at this facility.

SUSTAINABILITY IMPACT:

The City Administrator's Office is working with Public Works to identify and address short-term and long-term improvements that need to be made to the facility including life safety, accessibility, and risk management issues that need to be resolved. Once urgent repairs

and renovations are completed, then we will work with the Sustainability and Resilience Department to identify opportunities for solar energy generation, electric appliance replacements, LED lighting and other energy and water-efficient measures.

ENVIRONMENTAL REVIEW:

The appropriation of funds and the purchase of the real property located at 816 Cacique Street falls outside of the definition of a “project” under California Environmental Quality Act (CEQA) Guidelines Section § 15378 (b)(5) as administrative activities of government that will not result in direct physical changes in the environment are not subject to CEQA environmental review. The purchase of the property will not result in direct physical impacts to the environment as the use remains the same.

- ATTACHMENTS:**
1. First Amendment to Declaration Restrictions Established by City of Santa Barbara Conditional Use Permit Resolution No. 008-09
 2. Second Amended Restricted Use Covenant on Real Property for the Operation of a Homeless Shelter and Related Services

PREPARED AND SUBMITTED BY: Barbara Andersen, Sr. Assistant to the City Administrator

APPROVED BY: Kelly McAdoo, City Administrator